

SENATE CS FOR HOUSE BILL NO. 36(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/18/21

Referred: Today's Calendar

Sponsor(s): REPRESENTATIVES CLAMAN, Josephson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an application for a license to operate as a dealer in motor vehicles;**
2 **relating to the duties of a motor vehicle dealer; and requiring a dealer in motor vehicles**
3 **to maintain liability and property insurance."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 08.66.030 is amended to read:

6 **Sec. 08.66.030. Form of application.** The department shall prescribe and
7 furnish the form of application for dealer registration under AS 08.66.010. The
8 application must contain

- 9 (1) the name under which the business is conducted;
10 (2) the location **and telephone number** of the business;
11 (3) the name and address of all persons having an interest in the
12 business and, in the case of a corporation, the application shall contain the name and
13 address of the two principal officers;
14 (4) the name and make of all vehicles handled;

- 1 (5) a statement of whether or not used vehicles are handled;
- 2 (6) a statement that the applicant is a bona fide dealer in motor
- 3 vehicles with an established business at the location given;
- 4 (7) a statement that no person holding a five percent or greater
- 5 interest in the business has, during the five-year period immediately preceding
- 6 the date of the application, been convicted of a felony if the felony involved fraud,
- 7 embezzlement, or misappropriation of property;
- 8 (8) a statement that the applicant has reviewed the workers'
- 9 compensation insurance requirements of AS 23.30 and will maintain applicable
- 10 workers' compensation insurance as required under AS 23.30;
- 11 (9) a copy of a certificate of insurance documenting that the
- 12 applicant maintains the insurance coverage required under AS 08.66.085;
- 13 (10) if the applicant sells a motor vehicle as a new or current model
- 14 motor vehicle having a manufacturer's warranty, the name of the manufacturer of the
- 15 motor vehicle and the date and duration of the applicant's sales and service agreement
- 16 with the manufacturer; and
- 17 (11) [(8)] other information the department requires to administer this
- 18 chapter.

19 * Sec. 2. AS 08.66.040 is amended to read:

20 **Sec. 08.66.040. Filing application for registration; identification of dealer.**

21 The application shall be filed with the department. Upon receipt of the application, the

22 department shall examine it and may make an investigation of the information in it. If

23 the department is satisfied that the dealer is entitled to registration, and the fees have

24 been paid and a bond filed, the department shall assign a distinctive registration

25 number to the dealer and file the dealer's application and index it alphabetically and

26 numerically. A dealer is registered when the department assigns a registration number.

27 **A dealer shall inform each person who purchases a vehicle from the dealer that**

28 **the dealer is registered under this chapter and provide the dealer's registration**

29 **number.**

30 * Sec. 3. AS 08.66.060(a) is amended to read:

- 31 (a) An applicant for a dealer registration under AS 08.66.010 shall file with

1 the application and shall maintain in force while registered a bond in favor of the state
2 that is executed by a surety approved by the commissioner. The amount of the bond
3 shall be **\$100,000** [\$50,000], except that the amount of a bond for a dealer who sells
4 only motorcycles shall be \$25,000. The bond must be conditioned on the dealer's

5 (1) doing business in compliance with this chapter and the other laws
6 of this state; and

7 (2) not committing fraud or making fraudulent representations in the
8 course of doing business as a dealer.

9 * **Sec. 4.** AS 08.66 is amended by adding a new section to read:

10 **Sec. 08.66.085. Insurance requirements.** A dealer in motor vehicles shall
11 maintain liability insurance for bodily injury and property damage on an auto dealer's
12 form.